

# REDUCING AN EMPLOYEE'S HOURS MAY AFFECT YOUR UNEMPLOYMENT RATE

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An increasing number of unemployment claims filed in Montana are for partial unemployment. These claimants are required to be "seeking and available for" full time work. We rely on and thank you -- the employer community -- for providing unemployment insurance for your employees and ensuring its proper administration by responding to our requests for information.

Unemployment Insurance is provided to employees in the event they become unemployed *through no fault of their own or for good cause attributable to the employment*. The Unemployment Insurance Division investigates each claim, relying on both parties to provide timely and accurate information, allowing benefits to be paid correctly to those who qualify, and employer premiums to be adjusted based on claims paid.

A common misconception is that a person must be "completely unemployed" to qualify for unemployment insurance. Not so – a person may qualify if employed less than full time due to a work reduction by the employer. It is important for an employer to know that their account is charged for benefits if there is a reduction of 10 percent or more in the hours of an employee.

Employer notices are sent to determine both claimant eligibility and resultant employer charges. If no response is received from the employer, benefits may be paid out and accounts charged in error. Only those employees who have their work reduced by the employer should qualify for partial benefits due to reduced hours.

However, if a person accepts less than full time work, and there is no reduction or change in that job, that employer should not be charged for any partial benefits paid to the claimant. In addition, if the employee requests the reduction in hours, they would not be eligible for benefits, as the program requires a person to work all hours available to them. A person who works more than one job may have a reduction in one and file a claim. All employers will be notified – not just the one who reduced hours – so it can be confusing if you receive a notice. Your immediate response will ensure you are not charged if you did not reduce your worker's hours.

More and more in today's labor market, full time work is not readily available, or a job is considered to be full-time at less than 40 hours per week. Employers may very well have legitimate business reasons to reduce hours or hire for adaptive schedules. However, part-time workers may be costing companies in the long run, if they are supplementing their income with UI benefits.

You can help save money. When your company receives a separation notice, or a notice of a potential charge, your immediate call, fax, or mailed response will help us to protect the UI Trust Fund and administer timely benefits to those eligible.